

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6237

BILL NUMBER: SB 78

NOTE PREPARED: Apr 5, 2011

BILL AMENDED: Apr 5, 2011

SUBJECT: Identification Requirements for Alcohol Purchases.

FIRST AUTHOR: Sen. Merritt

FIRST SPONSOR: Rep. Steuerwald

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) The bill makes it a Class B misdemeanor for an alcoholic beverage permittee or an employee or agent of the permittee to recklessly, knowingly, or intentionally sell, barter, exchange, provide, or furnish another person who is or reasonably appears to be less than 40 years of age an alcoholic beverage for consumption off the licensed premises without first requiring the person to produce specified identification showing that the person is at least 21 years of age.

(Current law makes it a Class B misdemeanor for an alcoholic beverage permittee or an employee or agent of the permittee to recklessly, knowingly, or intentionally sell, barter, exchange, provide, or furnish another person an alcoholic beverage for consumption off the licensed premises without first requiring the person to produce specified identification showing that the person is at least 21 years of age.)

The bill also urges the Legislative Council to assign the topic of which state agency should have authority to control dangerous alcohol products to an existing study committee for study.

Effective Date: July 1, 2011.

Explanation of State Expenditures: (Revised) The bill urges the Legislative Council to assign an additional topic to an existing study committee for study. Additional expenditures would result only if consideration of the topic resulted in additional meetings of a study committee.

Explanation of State Revenues: The bill could potentially reduce the number of alcoholic beverage permittees or employees or agents of a permittee convicted of recklessly, knowingly, or intentionally selling, bartering, exchanging, providing, or furnishing an alcoholic beverage to another person, a Class B

misdemeanor. The bill removes a criminal or administrative defense that the individual receiving the alcoholic beverage reasonably appeared to be more than 50 years of age, and instead makes the reasonable appearance of the person as over 40 years of age an element of the crime. Any reduction is expected to be minimal. It appears that no misdemeanor charges have been filed at the state level since this offense was effective on July 1, 2010.

If fewer court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would decrease. The maximum fine for a Class B misdemeanor is \$1,000. Criminal fines are deposited in the Common School Fund.

For cases filed in a circuit, superior, or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund. In addition, some or all of the document storage fee (\$2), automated record keeping fee (\$7), judicial salaries fee (\$18), public defense administration fee (\$3), court administration fee (\$5), judicial insurance adjustment fee (\$1), and the DNA sample processing fee (\$1) are deposited into the state General Fund.

Explanation of Local Expenditures: A Class B misdemeanor is punishable by up to 180 days in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

Explanation of Local Revenues: If fewer court actions occur, local governments would receive less revenue from the following sources: The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. In addition, several additional fees may be collected at the discretion of the judge and depending upon the particular type of criminal case.

State Agencies Affected: Alcohol and Tobacco Commission.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: E. Dunsmore, Alcohol and Tobacco Commission.

Fiscal Analyst: Karen Firestone, 317-234-2106.